

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20702
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On August 14, 2007, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer) proposing income tax, penalty, and interest for the tax years 2003, 2004, and 2005 in the total amount of \$6,040.00.

On September 14, 2007, the taxpayer submitted tax returns to his local field office of the Tax Commission. The taxpayer did not request a hearing. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) obtained information that the taxpayer appeared to have a filing requirement for tax years 2003, 2004, and 2005. The Bureau reviewed the Tax Commission's records and found that the taxpayer did not file Idaho individual income tax returns for those years. The Bureau sent the taxpayer a letter asking about his requirement to file Idaho income tax returns. The taxpayer did not respond. [Redacted] In response to the NODD, the taxpayer provided copies of his Idaho income tax returns for years 2003, 2004, and 2005.

The Bureau reviewed the taxpayer's returns and determined they were incomplete and invalid returns. The Bureau sent the taxpayer a letter acknowledging the protest and outlined the reasons the returns were unacceptable. The Bureau provided the taxpayer with copies of income information that was available to the Tax Commission and explained what was necessary to

make the returns valid and complete. No response was received. Consequently, the Bureau referred the matter for administrative review.

The taxpayer did not respond to a letter from the Tax Policy Specialist (policy specialist) wherein he was advised of his rights regarding his appeal. A follow-up letter sent by the policy specialist also went unanswered. Therefore, the Tax Commission decided the matter based upon the information available.

The Tax Commission compared the taxpayer's returns with the information it obtained from the [Redacted] from its own records. The Tax Commission found that the taxpayer did not include all his income on the returns he submitted and did not include all pertinent schedules.

The taxpayer did not include a copy of his federal return with any of the Idaho returns he provided. For 2003, the taxpayer did not include wages from [Redacted] in the amount of \$23,142. For 2004, the taxpayer did not include wages from [Redacted] in the amount of \$5,760 and unemployment compensation in the amount of \$4,102. For 2005, the taxpayer did not include unemployment compensation of \$6,500. All this income should have been included on the taxpayer's income tax returns. The taxpayer used a filing status of Married filing separate because, according to him, he is married but has no contact with his wife and no knowledge of her whereabouts. The Tax Commission has no record of the taxpayer ever filing a return with the status of Married filing joint, so the Bureau issued the NODD with a filing status of single. The standard deduction and personal exemption amounts are the same for both filing statuses.

Since the taxpayer did not make adjustments to his returns to include the omitted income, the NODD prepared by the Bureau more accurately reflects the taxpayer's taxable income. Interest and penalty were added pursuant to Idaho Code §§ 63-3045 and 63-3046. The Tax

Commission reviewed those additions and found them proper and in accordance with Idaho Code.

WHEREFORE, the Notice of Deficiency Determination dated August 14, 2007, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2003	\$2,237	\$559	\$644	\$3,440
2004	989	247	225	1,461
2005	1,009	252	170	<u>1,431</u>
			TOTAL DUE	<u>\$6,332</u>

Interest is calculated through October 14, 2008.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the taxpayer's right to appeal this decision is enclosed.

DATED this _____ day of _____, 2008.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2008, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

Receipt No.
